

VZCZCXRO0761
RR RUEHBZ RUEH DU RUEHJO RUEHMR RUEHRN
DE RUEHSB #1492/01 3550636
ZNR UUUUU ZZH
R 210636Z DEC 06
FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC 0952
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
RUEHUJA/AMEMBASSY ABUJA 1423
RUEHAR/AMEMBASSY ACCRA 1278
RUEHDS/AMEMBASSY ADDIS ABABA 1427
RUEHRL/AMEMBASSY BERLIN 0145
RUEHBY/AMEMBASSY CANBERRA 0688
RUEHDK/AMEMBASSY DAKAR 1053
RUEHKM/AMEMBASSY KAMPALA 1481
RUEHNR/AMEMBASSY NAIROBI 3874
RUEHFR/AMEMBASSY PARIS 1250
RUEHRO/AMEMBASSY ROME 1903
RUEKJCS/JOINT STAFF WASHDC
RUFGNOA/HQ USEUCOM VAIHINGEN GE
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK
RUEFDIA/DIA WASHDC
RHEHAAA/NSC WASHDC
RUEHBS/USEU BRUSSELS
RUCNDT/USMISSION USUN NEW YORK 1643

UNCLAS SECTION 01 OF 02 HARARE 001492

SIPDIS

SENSITIVE
SIPDIS

AF/S FOR S.HILL
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS
STATE PASS TO USAID FOR E.LOKEN
STATE PASS TO NSC FOR SENIOR AFRICA DIRECTOR B.PITTMAN

E.O. 12958: N/A
TAGS: [ECON](#) [EFIN](#) [EAGR](#) [ZI](#)
SUBJECT: NEW LAND SEIZURE LAW; DUTCH FARMERS CHALLENGE
SEIZURES

REF: A. A) HARARE 1396

[1](#)B. B) HARARE 1361

Summary

[1](#)1. (SBU) An Act requiring most farmers whose land was compulsorily acquired by the GOZ to cease farming and vacate their homes during the present summer growing season passes into law on December 20. Over 700 farmers could face eviction if the Act is implemented. In the meantime, an international arbitration tribunal has begun hearing the case of a group of evicted Dutch farmers. Reserve Bank of Zimbabwe (RBZ) Governor Gono is reportedly concerned about the possible seizure of Zimbabwe's overseas assets if the case is decided against the GOZ. End Summary.

Eviction Bill Starts Clock Ticking for White Farmers

[1](#)2. (U) On December 20, the Gazetted Land (Consequential Provisions) Act passed into law, setting the clock ticking for the possible eviction of most of the remaining white commercial farmers in Zimbabwe. The Act, gazetted on December 8, requires all farmers whose land was compulsorily acquired by the GOZ, and who are not in possession of an official offer letter, permit or lease, to cease to occupy, hold or use that land forty-five days (i.e. February 3, 2007) after passage of the Act into law. The Act also requires farmers to vacate their homes within 90 days (March 19, 2007). Failure to comply is a criminal offense punishable by

a fine and/or a sentence of up to two years.

¶3. (SBU) Commercial Farmers, Union (CFU) President Doug Taylor-Freeme told us on December 11 that the Act could be the end of the road for agriculture, if implemented. In a notice to its members, the CFU pointed out that the vast majority of white commercial farmers still on the land have complied with the GOZ's criteria to continue farming: they had offered land, downsized, co-existed with settlers, and over 700 of them had applied for permission to stay on the land through the A2 offer letter system. Yet barely a handful of applicants had received an offer letter or lease (Ref A). The CFU is, however, advising its members to continue farming and has engaged a high-powered legal team from South Africa.

Dutch BIPPA Case Hearing Begins

¶4. (SBU) Taylor-Freeme also updated us on the dispute brought to the International Centre for the Settlement of Investment Disputes (CISID) by evicted Dutch farmers. The group of farmers is demanding that the Zimbabwe Government honor the Netherlands Bilateral Investment Promotion and Protection Agreement (BIPPA) with Zimbabwe. (Note. Other countries with BIPPAs are France, Mauritius, Belgium, Sweden, Holland, Denmark, Norway, Italy, and Germany. According to the CFU, about 100-150 farmers from these countries could potentially bring actions against Zimbabwe. End Note.)

¶5. (SBU) According to Taylor-Freeme, the GOZ failed to pay a required US\$150,000 advance payment to the Centre, citing

HARARE 00001492 002 OF 002

foreign exchange shortages, but the Dutch group had made the payment on behalf of the GOZ to move the case forward. The Dutch farmers, who rejected an out-of-court settlement of the case, would attempt to put a lien on GOZ assets outside of Zimbabwe.

¶6. (SBU) Taylor-Freeme said he had briefed RBZ Governor Gono recently on the case and said Gono had appeared poorly informed. Gono had called the Ministry of Foreign Affairs while with Taylor-Freeme and had demanded a full dossier on the dispute. Speaking in Shona (which Taylor-Freeme understands), Gono had told the MFA official we can't have a repeat of the Air Zimbabwe situation. (Note. In early November Air Zimbabwe was forced to cancel its lucrative London flight for several days rather than risk seizure of an airplane by creditors. The RBZ intervened and paid the debt. Ref B End Note.)

Update

¶7. (SBU) The Netherlands Embassy in Harare informed us that an initial hearing was held in Paris on December 15. A briefing schedule was set which will conclude in mid-August. Zimbabwe was represented by two lawyers from the Attorney General's office in Harare. According to unconfirmed news reports, GOZ Attorney General Sobuza Gula-Ndebele attempted to obtain a visa to travel to Paris for the hearing, but was refused a visa because he is on the EU sanctions list.

Comment

¶8. (SBU) Passage into law of the eviction act deepens the pall of uncertainty over Zimbabwe's remaining productive farmers. In addition, if implemented, it could be a further blow to Zimbabwe's food security and to its foreign exchange generating capacity, as evictions would occur at the height of the cereal and tobacco growing season. While BIPPA

arbitrations may result in judgements for compensation for some evicted farmers, hope is fading among the remaining white farmers that the GOZ will provide them with secure tenure.

SCHULTZ